



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

March 3, 2022

VIA ECF AND EMAIL

Honorable Lorna B. Schofield
United States District Judge
Southern District of New York
40 Foley Square
New York, New York 10007

Re: *United States v. Sohrab Sharma et al.*, 18 Cr. 340 (LGS)

Dear Judge Schofield:

The Government respectfully submits this letter to update the Court regarding the status of the remission process to compensate victims of the defendants' fraud.

As the Court is aware, on or about January 21, 2022, the Department of Justice's Money Laundering and Asset Recovery Section ("MLARS") began notifying victims of remission claims procedures and launched a web site, available at <https://www.centratechremission.com>, through which victims may submit claims. MLARS has already received numerous claims from potential victims and will continue to accept submissions through at least May 1, 2022. MLARS may extend this deadline, depending on factors including the number of claims received.

On March 3, 2022, the Court of Appeals so ordered a stipulation withdrawing defendant Sohrab Sharma's appeal pursuant to Federal Rule of Appellate Procedure 42. *See United States v. Sharma*, 21-612 (2d Cir.), Dkt. No. 67. As a result, following resolution of the ancillary proceedings and the entry of a final order of forfeiture in this matter, the \$33,422,373 in net proceeds from the sale of seized Ether units forfeited by Sharma (the "Ether Sale Proceeds") will be available to compensate victims through the remission process.¹

As reflected in the remission claims form (attached as Exhibit A hereto), victims potentially eligible for remission payments include persons who purchased CTR Tokens between July 23, 2017 and April 2, 2018, whether through Centra Tech's ICO or through the secondary market. In that connection, the Claimants' statements in recent briefing to the effect that secondary market

¹ In recent briefing, the Claimants in the ancillary proceedings stated that only 15% of the Ether Sale Proceeds will be distributed pursuant to MLARS's remission process. (Dkt. 568 at 19/22). This is inaccurate. The Claimants' statistic relates to payments made from the Department of Justice's Asset Forfeiture Fund, which is composed largely of forfeited assets from non-victim cases, such as narcotics trafficking proceeds. The 15% figure does not pertain to the remission process or the use of Ether Sale Proceeds in this case.

Exhibit A

United States v. Sohrab Sharma, et al.
 (Centra Tech), Criminal Case Number 1:18-CR-00340 (S.D.N.Y.)
 Remission Administrator
 P.O. Box 5834
 Portland, OR 97228-5834
 Toll-Free Number: (800) 709-3448
 Email: info@centratechremission.com
 Website: www.centratechremission.com

NOTICE AND PETITION FOR REMISSION FORM

You are receiving this Notice and Petition for Remission form (the “Notice” and/or “Petition Form”) because you may be eligible to receive a distribution from the assets forfeited in connection with the above case. The Department of Justice (“DOJ”) hired the Remission Administrator, Epiq Class Action and Claims Solutions, Inc., to assist in notifying potential petitioners, reviewing the petitions, conduct follow-up communications with petitioners, making decision recommendations, and mailing remission checks to eligible petitioners. **Please beware of other websites, entities, or communications you may receive claiming to administer the remission process, remission payments, or any other kind of refund from DOJ. Victims are never required to pay or hire an attorney to take part in any DOJ Remission process, including the process in this case.**

The Petition for Remission process (“Remission Process”) is governed by 28 C.F.R. Part 9 (the “Regulations”) and overseen by the DOJ’s Money Laundering and Asset Recovery Section. The Remission Process in this case is contingent on the issuance of a Final Order of Forfeiture and completion of all relevant appeals. The DOJ treats all petitioners equally, ensuring all eligible petitioners meet the criteria set forth in the Regulations. In cases involving more than one victim, the Department of Justice will grant remission on a *pro rata* basis where the amount to be distributed is less than the value of the petitioners’ losses.

From approximately July 2017 through October 2017, Robert Joseph Farkas, Sohrab Sharma, and Raymond Trapani sought to raise funds through their company, Centra Tech (collectively referred to herein as “Centra Tech”), which they claimed offered cryptocurrency-related financial products including a debit card that allowed users to spend cryptocurrency at stores that accepted MasterCard and Visa. The defendants solicited investors to purchase unregistered securities in the form of digital tokens issued by Centra Tech (“CTR tokens”), through various fundraising efforts, including a so-called “initial coin offering” or “ICO.” The representations the defendants made to help secure these investments, however, were false. Among other misrepresentations, the defendants fabricated Centra Tech executive team members, did not have appropriate state licenses, and did not have relationships with financial services providers.

Based in part on these false representations, victim investors provided millions of dollars’ worth of digital funds in investments for the purchase of CTR tokens. Many CTR tokens were subsequently traded on the secondary market while the defendants continued to make misrepresentations about Centra Tech and its purported products. On April 2, 2018, two of the defendants were publicly charged with violations of federal criminal law by a Criminal Complaint filed in the Southern District of New York and the Securities and Exchange Commission (“SEC”) filed a civil complaint in the Southern District of New York. Subsequently, the price of CTR tokens declined to nearly zero.

Failure to return a complete Petition Form and include the required documentation by the deadline, May 1, 2022 will result in exclusion from the Remission Process. In addition, you have an obligation to provide Epiq with current contact information. Failure to maintain a valid address with Epiq could result in your exclusion from the Remission Process.

TO BE ELIGIBLE TO RECEIVE A REMISSION PAYMENT, YOU MUST EITHER (A) MAIL A COMPLETED AND SIGNED PETITION FOR REMISSION FORM (“PETITION”) TO THE ABOVE ADDRESS VIA PREPAID FIRST-CLASS MAIL, POSTMARKED ON OR BEFORE MAY 1, 2022, OR (B) COMPLETE AND SUBMIT THE PETITION THROUGH THE REMISSION WEBSITE, WWW.CENTRATECHREMISSION.COM, ON OR BEFORE MAY 1, 2022.

DO NOT MAIL OR DELIVER YOUR PETITION TO THE COURT OR THE DOJ. SUBMIT YOUR PETITION ONLY TO THE REMISSION ADMINISTRATOR AT THE ADDRESS ABOVE OR THROUGH THE WEBSITE AT WWW.CENTRATECHREMISSION.COM.

PART I – GENERAL INSTRUCTIONS

1. It is important that you completely read and understand this entire Notice. **These documents may also be found at the Remission website indicated above.** This Notice describes the Remission Process and the method for distributing net proceeds of assets forfeited to the United States. By signing and submitting this Petition, you will be certifying that you have read and that you understand the Notice, including the terms of all releases.

2. **Submission of this Petition does not guarantee that you will receive a Remission payment. The Remission Process is governed by the Regulations. To receive a remission payment, you must demonstrate you meet the criteria for a victim set forth in the Regulations and have your petition approved by the DOJ.**

3. Use Part III of this form to set forth your transactions related to your CTR token acquisitions between July 23, 2017, and April 2, 2018. Provide all of the requested information with respect to your holdings, purchases, acquisitions, and sales of CTR tokens, regardless of whether you know that such transactions resulted in a profit or a loss. **Failure to report all transaction and holding information during the requested time period may result in the rejection of your Petition.** Individual transactions will be verified by the Remission Administrator on etherscan.io or another comparable blockchain explorer.

4. Although individual transactions may be verified using available data, you are required to submit genuine and sufficient documentation for your transactions in and holdings of CTR Tokens set forth in the Schedule of Transactions in Part III of this Petition. The documentation must demonstrate that you controlled the Ethereum Address from which Ethereum was contributed for purchase of the CTR Token(s), or the digital currency address used to make other Centra Tech investments. The DOJ and the Remission Administrator do not have third-party documentation supporting your investments in CTR Tokens or Centra Tech. Such documentation may include emails, text messages, screenshots, or other confirmation of your digital currency transaction(s). **IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT DOCUMENTS FROM ANOTHER SOURCE, INCLUDING AS APPROPRIATE FROM ANY EXCHANGE ON WHICH YOU CONDUCTED TRANSACTIONS. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN REJECTION OF YOUR PETITION. DO NOT SEND ORIGINAL DOCUMENTS. Please keep a copy of all documents that you send to the Remission Administrator. Also, please do not highlight any portion of the Petition or any supporting documents.**

5. Separate Petitions should be submitted for each separate legal entity (e.g., a petition from joint owners should not include separate transactions of just one of the joint owners). Conversely, a single Petition should be submitted on behalf of one legal entity including all transactions made by that entity on one Petition, no matter how many separate accounts or transactions that entity has.

6. Agents, executors, administrators, guardians, and trustees must complete and sign the Petition on behalf of persons represented by them, and they must:

- (a) expressly state the capacity in which they are acting;
- (b) identify the name, account number, Social Security number (or taxpayer identification number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) CTR Tokens; and
- (c) furnish evidence of their authority to bind to the Petition the person or entity on whose behalf they are acting.

7. By submitting a signed Petition, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your Petition and may subject you to civil liability or criminal prosecution. You will also be swearing that you:

- (a) own(ed) the CTR Tokens you have listed in the Petition; or
- (b) are expressly authorized to act on behalf of the owner thereof.

8. **PLEASE NOTE:** As set forth in the Remission Regulations, each Authorized Petitioner shall receive a *pro rata* share of the net proceeds, based on the Petitioner's Pecuniary Loss. The "Pecuniary Loss" is defined as "the fair market value of the property of which the victim was deprived as of the date of the occurrence of the loss." 28 C.F.R. § 9.8(c). If the *pro rata* payment to any Authorized Petitioner calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Petitioner.

9. If you have questions concerning the Petition, or need additional copies of the Petition or the Notice, you may contact the Remission Administrator, Epiq, at the above address, by email at

4

STEP 2:

PLEASE PROVIDE INFORMATION INDICATING THE DATE AND TIME YOU SOLD CTR TOKENS AND DOCUMENTATION SHOWING EVIDENCE OF EACH SALE TRANSACTION.

<u>Date of Sale or Disposition</u> (MMDDYY)	<u>Number of CTR Tokens Sold</u> (please include decimal points)	<u>Currency of Transaction</u> (ETH, BTC, LTC, etc)	<u>Total Amount of ETH Received on the Date of Transfer</u> (please include decimal points)
<div></div>	<div></div>	<div></div>	<div></div>
<div></div>	<div></div>	<div></div>	<div></div>
<div></div>	<div></div>	<div></div>	<div></div>

STEP 3:

PLEASE PROVIDE DOCUMENTATION SUFFICIENT TO SHOW EVIDENCE THAT YOU HELD THESE CTR TOKENS ON APRIL 2, 2018. SUCH DOCUMENTATION INCLUDES EMAILS, TEXT MESSAGES, OR SCREENSHOTS.

Number of CTR Tokens Held on April 2, 2018 (please include decimal points)

STEP 4:

OTHER RECOVERIES: Did you receive compensation for your loss from another source? Please list the date, source, and the dollar amount of compensation in the space below. (Examples include restitution, insurance, SEC distributions and class actions.)

<u>Date of Recovery</u> (MMDDYY)	<u>Source of Recovery</u>	<u>Currency of Transaction</u> (ETH or USD, ETC)	<u>Total Amount of ETH, USD, ETC</u> (please include decimal points)
<div></div>	<div></div>	<div></div>	<div></div>

IF YOU REQUIRE ADDITIONAL SPACE FOR THE TRANSACTION INFORMATION ABOVE, ATTACH EXTRA PAGES IN THE SAME FORMAT. PRINT THE BENEFICIAL OWNER'S FULL NAME AND LAST FOUR DIGITS OF SOCIAL SECURITY/TAXPAYER IDENTIFICATION NUMBER (IF APPLICABLE) ON EACH ADDITIONAL PAGE.

PART IV – PAYMENT ELECTION

Please indicate how you would like to receive your payment if your Petition is accepted and found eligible for payment.

- ☐ Paper Check
- ☐ Digital Payment
- ☐ Wire Transfer

PART V – PETITIONER’S STATEMENT, CERTIFICATION, RELEASE & SIGNATURE

YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN THIS PETITION.

The following certification should be completed by the petitioner.

I attest and declare under penalty of perjury that my petition is not frivolous, and the information provided in support of my petition is true and correct to the best of my knowledge and belief.

Signature of
Petitioner

Date – –
MM DD YY

Print Petitioner Name
Here

Signature of Joint
Petitioner (if any)

Date – –
MM DD YY

Print Name of Joint
Petitioner

Filing by Attorneys or Legal Guardians on behalf of the Petitioner (28 C.F.R. § 9.9(g))

- 1) A petition for remission or mitigation may be filed by a petitioner or by his or her attorney or legal guardian. If an attorney or legal guardian files on behalf of the petitioner, the petitioner must include a signed and sworn statement by the client-petitioner stating that:
 - i. The attorney has the authority to represent the petitioner in this proceeding;
 - ii. The petitioner has fully reviewed the petition; and
 - iii. The petition is truthful and accurate in every respect.
- 2) Verbal notification of representation is not acceptable. Responses and notification of rulings shall not be sent to an attorney claiming to represent a petitioner unless a written notice of representation is filed. No extensions of time shall be granted due to delays in submission of the notice of representation.

If the petitioner is other than an individual, or is not the person completing this form, the following must also be provided:

Signature of person
signing on behalf of
Petitioner

Date – –
MM DD YY

Print name of person
signing on behalf of
Petitioner

Capacity of person signing on behalf of petitioner, if other than an individual, e.g., executor, president, trustee, custodian, etc.

A petition containing false information may subject the petitioner to criminal prosecution under Title 18 United States Code Section 1001 and Title 18 United States Code Section 1621.

Privacy Act Notice: The Department of Justice is collecting this information for the purpose of processing your petition for remission and/or mitigation. Providing this information is voluntary; however, the information is necessary to process your application. Information collected is covered by Privacy Act System of Records Notice Department of Justice (DOJ), DOJ-002-DOJ Computer Systems Activity & Access Records, Federal Register (71 FR 29170). This information may be disclosed to contractors when necessary to accomplish an agency function, to law enforcement when there is a violation or potential violation of law, or in accordance with other published routine uses. For a complete list of routine uses, see the system of records notice listed above.

REMINDER CHECKLIST

1. Please sign the above Declaration.
2. If this Petitioner is represented by an attorney, the attorney should complete the declaration and the petitioner must complete the sworn notice of representation. Please use the victim's SSN or TIN.
3. Remember to attach copies of supporting documentation. If you are filing online, you must upload supporting documentation.
4. **DO NOT SEND original supporting documentation. Send copies.**
5. Keep a copy of your Petition and all supporting documentation for your records.
6. If you desire an acknowledgement of receipt of your Petition, please send it Certified Mail, Return Receipt Requested. *(This may not be applicable due to victim location.)*
7. If you move or change your email address, you must send your new information to:

**US v. Centra Tech
Remission Administrator
P.O. Box 5834
Portland, OR 97228-5834**

8. DO NOT USE RED PEN, PENCIL or HIGHLIGHTER on the Petition or supporting documentation.

YOU MAY FILE YOUR PETITION EITHER ONLINE AT WWW.CENTRATECHREMISSION.COM OR BY EMAIL TO INFO@CENTRATECHREMISSION.COM NO LATER THAN MAY 1, 2022. YOU CAN ALSO MAIL THE PETITION TO THE REMISSION ADMINISTRATOR'S ADDRESS LISTED ABOVE. THE FORM MUST BE POSTMARKED NO LATER THAN MAY 1, 2022.

QUESTIONS OR NEED HELP? E-MAIL US AT INFO@CENTRATECHREMISSION.COM.

You should be aware that it may take a significant amount of time to fully process all of the Petitions, depending on the volume received. Please be patient and notify the Remission Administrator of any change of address. Please add info@CentraTechRemission.com to your trusted senders to ensure communications from the Remission Administrator are not diverted by your spam filter.